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**30 September 2021**

Dear Sir/Madam,

**Re: Energy Future System Operator Consultation**

**Introduction to RES**

RES is the world's largest independent renewable energy company with operations across Europe, the Americas and Asia-Pacific. A British company, at the forefront of renewable energy development for 40 years, RES is responsible for more than 17GW of renewable energy capacity and energy storage projects worldwide. RES is active in a range of renewable energy technologies including onshore wind, offshore, solar and energy storage.

In the UK, RES has developed and/or constructed 1GW of operating wind generation capacity. We provide support services (AM and O&M) to a global operational portfolio of 5.5W of renewable projects and energy storage for a range of third-party clients. We play a critical role in ensuring the provision electricity with our teams on the ground and in our 24/7/365 control centre responsible for keeping 10% (3GW) of the UK's operating renewable capacity running.

RES wants to play an active part in the UK's energy future, ensuring our projects contribute to decarbonising the energy system at least cost to the consumer, in line with RES' vision to be a leader in the transition to a future where everyone has access to affordable zero carbon energy. We therefore welcome this opportunity to respond to this Consultation and we are happy for our response to be published.

**RES response**

**Market uncertainty**

RES supports the proposal for an expert, impartial Future System Operator (FSO) with responsibilities across both the electricity and gas systems, to drive progress towards net zero while maintaining energy security and minimising costs for consumers. The priority needs to be on decarbonisation, meeting challenging targets and ultimately net zero by 2050. Ensuring that the right governance framework is in place to do that is critical. We understand that with decision making time and implementation time, this is going to cause some uncertainty for the market, so we urge decision makers to act swiftly and decisively to cause as little disruption as possible.

Further to this, it is proposed that this might be achieved using a phased approach. RES is concerned that this could draw out this process unnecessarily. Indeed, it may have been more efficient to complete this process

when the original legal separation was proposed because many of the same issues still apply today as they did then. We believe pursuing a phased approach is inefficient and creates unnecessary uncertainty.

### **Organisational model and scope**

RES notes that there are two different organisational models discussed in the consultation, a standalone privately owned model and a highly independent corporate body model classified in the public sector. RES supports the proposal to have a standalone privately owned model, independent of energy sector interests. An independent body will be more agile and flexible than perhaps a quasi-government body could be. We also understand that this is the current way in which system operators in the US WORK as well, which is done well.

RES is supportive of the scope outlined for the Future System Operator. This body should be mandated to focus on meeting net zero. We agree for the reasons outlined in the consultation that it does not make sense to separate the real time gas management of the network. Given that we will have to ramp up electrification in order to meet net zero ambition we do not see the gas network as having as big of a role in the future as it does now and therefore can be managed as it current is in real time. The Future System Operator should manage the longer term more strategic needs of the gas system going forward. It is important that there is that strong coordination between gas and electricity system operation given the impact that one and the other has to the security of supply.

RES is broadly supportive of the proposals in the energy code reform consultation and as such, believes that code administration, or rather code management should have a greater role going forward. We therefore agree that the code administration role currently with the ESO, should be carved out from the FSO.

We are keen to engage further on this Consultation and more broadly in relation to the UK's transition to net zero. We suggest that BEIS review Energy UK's response which has more detail on the questions posed, however, we are happy to answer any further questions on our evidence or provide additional information if required.

Yours faithfully,

**Kate Dooley**

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